



Self-Regulatory Organizations; Long-Term Stock Exchange; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Temporary Reduction in the Initial Listing Fee
May 27, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on May 18, 2021, Long-Term Stock Exchange (“LTSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

LTSE proposes a rule change to temporarily reduce by half the schedule of Initial Listing Fees for issuers’ Primary Equity Securities on LTSE in light of the competitive market for listings and the ongoing disruptions caused by the global COVID-19 pandemic.³ The Initial Listing fees would revert to their prior levels beginning on January 1, 2022.

The text of the proposed rule change is available at the Exchange’s website at <https://longtermstockexchange.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange originally filed to establish a fee schedule of listing fees for issuers of primary equity securities on January 22, 2020 (SR-LTSE-2020-02). On January 30, 2020, SR-LTSE-2020-02 was withdrawn and replaced by SR-LTSE-2020-03. See Securities Exchange Act Release No. 88133 (February 6, 2020), 85 FR 8048 (February 12, 2020).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement on the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is filing this proposed rule change to amend Rule 14.601 to temporarily reduce by half the schedule of Initial Listing Fees for issuers' Primary Equity Securities on LTSE in light of the competitive market for listings and the ongoing disruptions caused by the global COVID-19 pandemic.⁴ The Initial Listing fees would revert to their prior levels beginning on January 1, 2022.

1. Initial Listing Fee

The Initial Listing Fee in LTSE Rule 14.601(a)(1) is determined based on the market capitalization of the Company when it lists on the Exchange.⁵

The amount of such fee is set forth in the fee table LTSE Rule 14.601(a)(3). The Initial Listing Fee is prorated based on the number of trading days in the year remaining at the time of a Company's initial listing.⁶ The proposed rule change would reduce the Initial Listing Fee in each listing tier for the remainder of 2021 by 50% while also retaining the proration calculation

⁴ "Primary Equity Security" means a Company's first class of Common Stock, Ordinary Shares, Shares or Certificates of Beneficial Interest of Trust, Limited Partnership Interests or American Depositary Receipts ("ADRs") or Shares ("ADSs"). See Rule 14.002(a)(24).

⁵ See supra note 3.

⁶ See LTSE Rule 14.601(a)(1)(iv).

as set forth in the Rule.⁷ Thus, for example, a Company with market capitalization up to \$1 billion listing on LTSE on May 31, 2021, would have an Initial Listing Fee of \$44,642.50 (\$75,000 x 150/252).⁸ Prior to the proposed rule change, the Initial Listing Fee would have been \$89,285.00 (\$150,000 x 150/252).

Beginning January 1, 2022, the Initial Listing Fees and Annual Listing Fees would revert to the levels as originally adopted in Rule 14.601.⁹

The Exchange believes that it is appropriate to temporarily reduce the listing fees amount by half for the remainder of 2021. The market for listings is highly competitive and the Exchange believes that a temporary reduction in fees is appropriate at this time as the Exchange is attracting new listings. The Exchange does not believe that the proposed temporary reduction in its Initial Listing Fees will have any adverse impact on the amount of funds available for its regulatory program.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act¹⁰ in general, and furthers the objectives of Section 6(b)(4) of the Act¹¹ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act¹² because it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing

⁷ The Annual Listing Fee, which would be assessed for calendar year 2022 for a Company listing on LTSE in 2021, is not affected by the proposed rule change.

⁸ May 31, 2021 is the 150th trading day out of a total of 252 trading days in calendar year 2021.

⁹ See supra note 3.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78f(b)(5).

information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Exchange believes that the temporary reduction for the remainder of 2021 of the Initial Listing Fee is reasonable in view of the highly competitive market for listings and the disruptions faced by Companies as a result of the global COVID-19 pandemic. The benefits to a Company, its shareholders and stakeholders from pursuing long-term value creation were discussed extensively in the background and rationale for LTSE's Long-Term Policies.¹³ While LTSE believes that the current environment reinforces the importance for a Company to demonstrate its commitment to long-termism and the Long-Term Policies set forth in Rule 14.425, the Exchange also believes that a temporary reduction in fees is appropriate in the current economic environment. The proposed rule change applies the reduction in fees equitably in that all price tiers are reduced by 50% and the reduced Initial Listing Fee is available to all Companies that elect to list on LTSE in calendar year 2021.

Additionally, the Exchange operates in a highly competitive market for the listing of Primary Equity Securities. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. A temporary reduction in price contributes to the competitive marketplace. The Exchange believes therefore that the proposed rule change supports an open market and the national market system, and is consistent with the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

LTSE does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The

¹³ See Securities Exchange Act Release No. 86327 (July 8, 2019), 84 FR 33293 (July 12, 2019).

proposed rule change would establish a temporary reduction in the schedule of Initial Listing Fees.

The market for listing services is highly competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed rule change imposes a burden on competition.

Intramarket Competition. The proposed rule change would establish a temporarily-reduced Initial Listing Fee that will be charged to all Companies listing on LTSE on the same basis. The Exchange does not believe that the proposed, temporary fees will have any meaningful effect on the competition among issuers listed on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which issuers can readily choose to list securities on other exchanges and transfer listings to other exchanges if they deem fee levels at those other venues to be more favorable. Consequently, the Exchange does not believe the proposed rule change will impose any burden on intermarket competition in a manner that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange also notes that other listing venues adjust their fees from time to time.¹⁴

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

¹⁴ See, e.g., Securities Exchange Act Release No. 90519 (November 25, 2020), 85 FR 77324 (December 1, 2020) (Nasdaq's Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Certain Annual Listing Fees).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁵ of the Act and paragraph (f) of Rule 19b-4¹⁶ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-LTSE-2021-03 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090.

All submissions should refer to File No. SR-LTSE-2021-03. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(2).

are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-LTSE-2021-03, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier,
Assistant Secretary.

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¹⁷ 17 CFR 200.30-3(a)(12).